

# DAILY BULLETIN

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## BUSH CONGRATULATES IRAQI VOTERS ON "HISTORIC ACHIEVEMENT"

President calls January 30 vote "a resounding success"

Praising Iraqis who "firmly rejected the anti-democratic ideology of the terrorists" and instead "demonstrated the kind of courage that is always the foundation of self-government," President Bush congratulated the millions who exercised their right to vote in the January 30 elections in that country.

The president lauded the people of Iraq for "tak[ing] rightful control of their country's destiny." He also saluted "the many friends" in "the European Union and the United Nations" who gave important assistance in the election process.

Bush noted that the election is the beginning of the process of drafting and ratifying a new constitution, "the basis of a fully democratic Iraqi government." He cautioned that "terrorists and insurgents will continue to wage their war," but he vowed continued U.S. support until "this rising democracy can eventually take responsibility for its own security."

Following is the White House transcript of the president's statement:

## STATEMENT BY THE PRESIDENT ON THE IRAQI ELECTION

The Cross Hall

1:00 P.M. EST

THE PRESIDENT: Today the people of Iraq have spoken to the world, and the world is hearing the voice of freedom from the center of the Middle East.

In great numbers, and under great risk, Iraqis have shown their commitment to democracy. By participating in free elections, the Iraqi people have firmly rejected the anti-democratic ideology of the terrorists. They have refused to be intimidated by thugs and assassins. And they have demonstrated the kind of courage that is always the foundation of self-government.

Some Iraqis were killed while exercising their rights as citizens. We also mourn the American and British military personnel who lost their lives today. Their sacrifices were made in a vital cause of freedom, peace in a troubled region, and a more secure future for us all.

The Iraqi people, themselves, made this election a resounding success. Brave patriots stepped forward as candidates. Many citizens volunteered as poll workers. More than 100,000 Iraqi security force personnel guarded polling places and conducted operations against terrorist groups. One news account told of a voter who had lost a leg in a terror attack last year, and went to the polls today, despite threats of violence. He said, "I would have crawled here if I had to. I don't want terrorists to kill other Iraqis like they tried to kill me. Today I am voting for peace."

Across Iraq today, men and women have taken rightful control of their country's destiny, and they have chosen a future of freedom and peace. In this process, Iraqis have had many friends at their side. The European Union and the United Nations gave important assistance in the election process. The American military and our diplomats, working with our coalition partners, have been skilled and relentless, and their sacrifices have helped to bring Iraqis to this day. The people of the United States have been patient and resolute, even in difficult days.

The commitment to a free Iraq now goes forward. This historic election begins the process of drafting and ratifying a new constitution, which will be the basis of a fully democratic Iraqi government. Terrorists and insurgents will continue to wage their war against democracy, and we will support the Iraqi people in their fight against

them. We will continue training Iraqi security forces so this rising democracy can eventually take responsibility for its own security.

There's more distance to travel on the road to democracy. Yet Iraqis are proving they're equal to the challenge. On behalf of the American people, I congratulate the people of Iraq on this great and historic achievement.

Thank you very much.

## BUSH AIMS TO CONTINUE SCALE-UP OF INTERNATIONAL AIDS FUNDING

Senior administration officials brief on AIDS plan progress

If Congress approves the request the Bush administration plans to make for fiscal year 2006, U.S. funding for international HIV/AIDS assistance will have increased fourfold since President Bush took office in 2001, a senior administration official said at a White House press briefing January 28.

U.S. funding for efforts to combat the pandemic was \$840 million in 2001, the senior official noted. For the year ahead, fiscal 2006, the president will request \$3.2 billion, the official said.

Funding for AIDS programs has increased most significantly in the last two years, since the announcement of the President's Emergency Plan for AIDS Relief, which officials call the largest international health initiative in history dedicated to a single disease.

The emergency plan is a five-year, \$15 billion campaign, which aims to bring treatment to 2 million people living with HIV/AIDS by the fifth year of the plan's operation. The Global AIDS Coordinator, Ambassador Randall Tobias, announced January 26 that the United States is supporting treatment for 155,000 people in the 15 focus countries suffering most severely from the disease.

The United States is supporting treatment for another 17,000 in other countries for a total of 172,000 globally, the official said at the briefing.

The treatment programs became operational in July 2004. The official said the current rate of expansion would put the program on track to meet its goal of providing treatment for 2 million people in the years ahead.

The term “Three Ones” is used in the transcript. This is an AIDS-fighting strategy supported by the United States and international organizations that calls for “one agreed HIV/AIDS Action Framework that provides the basis for coordinating the work of all partners; one National AIDS Coordinating Authority, with a broad-based multisectoral mandate; and one agreed country-level Monitoring and Evaluation System.” Further information is available at <http://www.unaids.org/en/about+unaids/what+is+unaids/unaids+at+country+level/the+three+ones.asp>.

#### TREASURY’S TAYLOR CITES NEED FOR MIDDLE EAST ECONOMIC REFORM

Treasury under secretary hails Arab Business Council initiatives

Economic reform is the key to greater productivity, job opportunities and economic growth in the broader Middle East and North Africa, according to Treasury Under Secretary John Taylor.

Taylor welcomed the work of the Arab Business Council in promoting economic reforms throughout the region in his January 28 address to the World Economic Forum in Davos, Switzerland. He said economic freedom “is not achievable without the active participation of independent business voices like that of the Arab Business Council.”

Taylor noted that worker productivity in the Middle East has been falling at an average rate of 0.7 percent per year for the past 20 years and that unemployment in the region runs at 15 percent, with rates reaching as high as 30 percent among young workers.

He said that the region would have to generate 100 million jobs in the next 12 years in order to keep unemployment from increasing further.

Taylor highlighted two initiatives of the Arab Business Council designed to improve the economic conditions in the region: the creation of national competitiveness coun-

cils aimed at measuring the business climate in Middle Eastern countries; and the creation of a task force on investment aimed at attracting capital into the region.

He said, “The regional business community is a natural partner and ally for reform-minded governments because business people have strong incentives to counter backward looking isolationist tendencies that challenge both the economic and political stability of the region.”

Following is the text of Under Secretary Taylor’s remarks:

#### The Private Sector’s Role in Promoting Economic Growth in the Broader Middle East and North Africa

John B. Taylor  
Under Secretary for International Affairs  
United States Treasury

Remarks at the World Economic Forum Business Dialogue:

The Arab Business Council and the G-8/BMENA Forum for the Future

Davos, Switzerland

January 28, 2005

I would like to thank the World Economic Forum for inviting me to participate in this distinguished panel. I would also like to thank Shafik Gabr, Chairman of the Arab Business Council, for moderating this discussion as well as for his able and energetic stewardship of the Council’s activities.

Engagement with business leaders, through the Forum for the Future and other venues, underscores the deep link between economic and political reform. As Secretary Powell said in Rabat on the occasion of the first Forum for the Future, “Political freedom and economic freedom go hand in hand.” And economic freedom, our subject for today’s discussion, is not achievable without the active participation of independent business voices like that of the Arab Business Council.

Evidence has shown that increased incomes and poverty reduction can only be achieved via productivity growth. Productivity is simply the amount of goods and services that can be produced with by workers per unit of time. Productivity increases as the skills and tools that workers have to work with increase. Higher productivity growth means higher wages and thereby higher incomes.

Unfortunately, the recent trends in productivity growth in the Middle East are not good. Guido Tabellini, a colleague of mine when I was a Professor at Stanford University, has noted that productivity actually fell in the Middle East in the last 20 years, by 0.7 percent per year. In contrast, this is a period when productivity was increasing in the United States, Europe and East Asia. This contrast is particularly strong and worrisome. And the pressure on increasing productivity and creating jobs will only grow more intense in the years ahead, as the economic and demographic challenges confronting the Middle East and North Africa are significant. Regional unemployment levels are 15 percent and reach 30 percent among younger workers. The region will need to generate over 100 million jobs in the next 12 years just to maintain current levels of unemployment.

In his speech at the National Endowment for Democracy on the greater Middle East last November, President Bush stated, "As we watch and encourage reforms in the region, we are mindful that modernization is not the same as Westernization . . . There are, however, essential principles common to every successful society, in every culture."

The Council's Blueprint for Economic Reform, ratified in this forum one year ago, discusses precisely those universal principles to which President Bush referred - economic reform and liberalization, human resources development and governance reform. The regional business community is a natural partner and ally for reform-minded governments because business people have strong incentives to counter backward looking isolationist tendencies that challenge both the economic and political stability of the region. They stand to benefit from reforms that can improve the lives of all the region's inhabitants. They also understand very well the need for reform.

I am very pleased that the Arab Business Council has turned from the elaboration of principle to the advancement of specific initiatives since the last meeting here at Davos. Two specific initiatives deserve strong support:

-- First, I'd like to applaud the Arab Business Council for taking steps towards establishing a series of national competitiveness councils with the goal of benchmarking major business climate indicators and promoting competitiveness. It is important to continue to spread this work to more countries in the region. One aspect of this program that President Bush is firmly committed

to is measuring results. What gets measured gets done. This is, in fact, a core component of the Administration's development strategy. We have pushed it in the Multilateral Development Banks, and have made it a centerpiece of the approach taken by the Millennium Challenge Account.

-- I'd also like to applaud the Council for its work with the OECD to organize a Task Force on Investment. Productivity, as we know from economic theory and economic history, depends on the amount of capital each person has to work with and the level of technology. This region, unlike many others, has sufficient capital. It is reported that \$ 1 trillion in local funds are invested abroad. Improvements in investment environment can help these funds come to rest closer to home, resulting in productivity improvements and, ultimately, jobs and economic growth.

There is a window of opportunity for reform in the broader Middle East today, and the members of the Arab Business Council are among the foremost of those who recognize the importance of acting now.

We in the United States recognize the importance of promoting the forces of economic advancement and integration. We are pleased that there are many voices in the Arab business community who share this vision.

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## U.S. GOES TO WTO IN DISPUTE WITH EU OVER RICE IMPORTS

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Tariff concession on certain EU goods may be withdrawn, U.S. says

The United States announced January 28 that it has notified the World Trade Organization (WTO) of its intent to withdraw certain tariff concessions because it has not reached agreement with the European Union (EU) over access to the European rice market.

A press release by the Office of the U.S. Trade Representative (USTR) points out that the EU unilaterally decided last September to change its rice import system by raising tariffs on brown rice imports. The new system unfairly limits the access of American rice farmers to the European market, affecting U.S. brown rice exports valued at approximately \$33 million a year, it says.

Because the United States and the EU were not able to resolve the issue despite months of negotiations, the United States, under WTO rules, has the right to raise tariffs on products of which the EU is the dominant supplier in order to compensate for the higher EU tariff.

Following is a USTR press release:

Office of the United States Trade Representative  
Washington, D.C. 20508  
January 28, 2005

#### Unfair EU Restrictions On U.S. Rice Force U.S. To Notify WTO of Intent to Raise Tariffs

WASHINGTON - Facing an imminent deadline, the United States announced today it has asserted its World Trade Organization (WTO) rights and notified the WTO of its intent to withdraw certain tariff concessions because it has not reached agreement with the European Union (EU) over access to the European rice market.

The EU unilaterally decided last September to change its rice import system by raising tariffs on brown rice imports above the rate to which it had agreed as part of the EU's Uruguay Round obligations. The new system unfairly limits the access of American rice farmers to the European market, affecting U.S. brown rice exports valued at approximately \$33 million a year on average since 1999.

Under WTO rules, when a Member makes a change in its tariff obligations, certain trading partners are able to negotiate offsetting benefits. Because the U.S. and the EU were not able to reach agreement, the U.S. has the right to raise tariffs on an offsetting amount of imports. The EU has substantially increased tariffs on U.S. rice exports. The U.S. action will allow tariffs to be increased on products of which the EU is the dominant supplier in order to compensate for the higher EU tariff. March 1, 2005 is the deadline for the U.S. to assert its rights, and WTO rules require the U.S. to provide a 30-day notice of the action.

"I'm disappointed we have not been able to resolve this dispute with Europe. We feel that the new European system is unfair," said U.S. Trade Representative Robert B. Zoellick. "We have been trying for months to find a fair resolution that balances the concerns of both sides. Since we have not resolved this problem through negotiations,

we have to notify the WTO of our intent to exercise our rights to withdraw concessions."

#### Background:

Until September 1, 2004, the EU had determined the tariff for brown rice imports under the margin of preference (MOP) regime negotiated during the Uruguay Round. The MOP regime allowed the EU's applied tariff rate to be set lower than the bound tariff rate, based on the differential between the EU intervention (support) price and the reference import price, taking into account an adjustment factor. EU reforms to the Common Agricultural Policy (CAP) in 2003 significantly lowered the intervention price for rice, which would have led to a substantial reduction in the EU rice tariff under the MOP. As part of the CAP reform package, the EU received a mandate from the Council to renegotiate the MOP under the terms of GATT Article XXVIII.

Pursuant to WTO rules, the EU has been negotiating with the United States since 2003 with respect to trade compensation, but no agreement has been achieved appropriately compensating the U.S. for the EU's tariff change.

#### INTERNATIONAL LAW ENFORCEMENT EFFORT TARGETS CHILD EXPLOITATION

Australia, Canada, United Kingdom, United States pursue online predators

Law enforcement agencies from Australia, Canada, the United Kingdom and the United States are creating a new Web site as a tool to help in the campaign against the online exploitation of children.

Announcement of the initiative was made in London, according to a January 26 press release from the U.S. partner in the effort, Immigration and Customs Enforcement (ICE).

The site, <http://www.virtualglobaltaskforce.com/> instructs visitors in reporting suspected child exploitation and provides other safety and resource information about organizations involved in the international effort to protect youngsters from sexual predators.



ICE's participation in this task force is in line with its ongoing campaign Operation Predator, which works to protect children from sex offenders, child sex tourists, Internet child pornographers and human traffickers. The 18-month-old operation has resulted in more than 4,800 arrests.

The text of the ICE press release follows:

U.S. Department of Homeland Security  
Immigration and Customs Enforcement  
News Release

#### UK, US, AUSTRALIAN & CANADIAN LAW ENFORCEMENT BAND TOGETHER TO TARGET ONLINE CHILD EXPLOITATION

International law enforcement partnership launches new website for reporting, resources

LONDON - Law enforcement and technology industry officials in the UK unveiled today a new international website created by the Virtual Global Task Force, a partnership lead by the UK National Crime Squad (NCS) that includes NCS, U.S. Immigration and Customs Enforcement (ICE), the Royal Canadian Mounted Police, the Australian High Tech Crime Centre, and Interpol.

The site, at [www.virtualglobaltaskforce.com](http://www.virtualglobaltaskforce.com), includes information on how to report suspected child exploitation in the UK, US, Canada and Australia; as well as related safety and resource information from partner organizations such as the National Center for Missing & Exploited Children in the United States.

Jim Gamble, Deputy Director General of the UK's National Crime Squad, and Chair of the Virtual Global Taskforce, said, "The Virtual Global Taskforce is a unique partnership in the history of law enforcement. Internet-users access a worldwide service so we must tackle abuse from a worldwide perspective. Strategic partnerships such as this are vital to our success."

ICE's participation in the Virtual Global Task Force is part of Operation Predator, a Department of Homeland Security initiative to protect children from criminal alien sex offenders, child sex tourists, Internet child pornographers, and human traffickers. Since Operation Predator began in July 2003, more than 4,800 individuals have been arrested nationwide. Foreign law enforcement, acting on ICE leads, have arrested more than 860 individuals.

Additional information about Operation Predator is available on the Web at <http://www.ice.gov/>.

ICE encourages the reporting of suspected child predators and any suspicious activity through its toll-free hotline at 1-866-DHS-2ICE. This hotline is staffed around the clock by investigators.

Suspected child sexual exploitation or missing children may be reported to the National Center for Missing & Exploited Children, an Operation Predator partner, at 1-800-843-5678 or <http://www.cybertipline.com>.

U.S. Immigration and Customs Enforcement (ICE) was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of five integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities